

TOWN OF HAMILTON
FINANCE & ADVISORY COMMITTEE
APRIL 1, 2014

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The Finance & Advisory Committee met at Hamilton Town Hall at 6:30 p.m. on Tuesday, April 1, 2014 with Chair John McWane, Charles Chivakos, Rick Sprenkle, Jeff Stinson and Nancy Gerardi-Walsh present. Town Manager Michael Lombardo, Finance Director Deborah Nippes-Mena and Selectman Scott Maddern also present.

Call to order

Chair John McWane called the meeting to order at 6:37 p.m. and acknowledged that Shawn Farrell was attending.

Review and recommend Town and School budgets for Town Meeting

Finance Director Deborah Nippes-Mena addressed proposal for the HWRSD to take over MIS where \$30,000 was added to Town budget to support a potential increase. Discussion ensued about how the Town does not need to support a FTE for MIS with intent to buy local MIS services from the school district. If this occurs, Andy Wood would no longer support the Town with MIS and his contract was for \$30,000. If not, Wood would continue in the role and Town officials noted he had not had an increase in four years. The budget for this service is \$64,000 with the potential increase included and future cost for this service is expected to be \$40,000 for 40% of an FTE since Wenham is not participating. This includes managing the phone system.

Discussion ensued about how Essex North Shore Agricultural and Technical School District costs are down for nine students although there is the possibility that more students could register.

Discussion addressed total departmental expenses relative to revenues, HWRSD budget forecast is up \$1.2 million, levy limit expenditures are up 3% with \$275,000 of levy surplus, debt exclusions related to elementary school roofs, tax levy is down, with total Town service costs up by 3.65% before revenue is applied with no capital or debt included. The Fin Com had already voted to support the Town budget.

Discussion ensued about the Selectmen and Wenham supporting the HWRSD budget with a 5.2% increase and the Fin Com had voted for a 4% increase and whether or not the budget should be amended at ATM. Discussion addressed how Fin Com had wanted more time to evaluate the details of the HWRSD budget early in the budget discussion process and if it is possible to know if the numbers are accurate and reasonable based on how expenses are represented especially related to per pupil cost and services provided compared to peer school districts.

Discussion addressed whether or not the HWRSD had added \$725,000 of programs without finding efficiencies. Discussion was on process at ATM if Fin Com put a hold on HWRSD budget and moved to amend the budget by a reduction of \$269,000 and suggest this should be funded through savings. Also, if the amended motion passes what would result between HW School Committee and Wenham on the school budget.

Nancy Gerardi-Walsh spoke to the HWRSD not having a good track record due to taxpayers overpaying for the school district's employee health insurance. Rick Sprenkle said he was very disappointed this year compared to last year when there was a lengthy discussion about HWRSD budget which did not occur this year, and that in-depth budget analysis should occur next year to assist HWRSD. He suggested that the Selectmen could help change the process. McWane noted that after November there was lack of communication with the Finance Committees' from school department personnel and HW School Committee. He summarized process that occurred where Town officials expressed support for 4% increase or \$450,000 in new programs and how HWRSD added more programs to 5.2% increase.

Charles Chivakos moved that the Finance & Advisory Committee recommend unfavorable action on the HWRSD budget as presented by the district at the Town Meeting this Saturday and recommend a reduction in that budget by \$269,000. Gerardi-Walsh seconded the motion. Stinson spoke to need for deeper involvement in school budget process. Sprenkle reiterated the importance for Fin Com, HWRSD personnel and HW School Committee to analyze the budget next year. McWane noted that the Fin Com and School Committee chairs have represented the positions of their committees. Gerardi-Walsh suggested a policy/procedure be put in place for the budget process. VOTE: 3-2 with Stinson and Sprenkle opposed.

Chivakos will make the hold and motion to amend (Hamilton's share is 65% of \$269,000). Lombardo asked that amendment language to be drafted and provided to Town Moderator Bruce Ramsey. He added that the General Town Capital Appropriations warrant article would likely be moved by someone other than McWane.

Discussion ensued about how the Fin Com is interested in having the School Committee and administration evaluate the \$2,000 overage in per pupil cost compared to peer school districts. Chivakos suggested that the Town needs to expand its tax base to address Hamilton's budget situation.

Selectman Scott Maddern explained that Town officials felt squeezed for time on the school budget this is why the Selectmen agreed to 5.2% HWRSD budget increase and that there is trust that school district is making progress, that a policy should be created to address budget overages and how they would be given back to supporting communities, that Wenham officials agreed to school budget as presented, and the hope is that the budget process would be different next year. Discussion ensued with Stinson and his stance on the HWRSD budget.

Chivakos moved for the Finance & Advisory Committee to rescind its previous vote. Gerardi-Walsh seconded the motion. VOTE: 4-1 with Sprenkle opposed.

Chivakos moved that the Finance & Advisory Committee recommend unfavorable action at this Saturday's Town Meeting on the school budget as presented by the school department and recommend decreasing budget of the assessment on the Town of Hamilton by its share of \$269,000. Gerardi-Walsh seconded the motion. VOTE: 4-1 with Sprenkle opposed.

Review and recommend Warrant Articles for Town Meeting

Lombardo recommended the Fin Com draft a memo to Wenham and HWRSD expressing its dissatisfaction with how the budget process is working for joint programs and the schools. He suggested that an acknowledgement of the budget process should be done now since there was no discussion of budgets. Sprenkle recommended that there should be a meeting with School Superintendent and HW School Committee about process for give back. Lombardo emphasized that there was no budget discussion with the five entities.

McWane entertained a motion to approve support of the Community Preservation Committee budget. Chivakos moved that the Finance & Advisory Committee recommend favorable action on the Community Preservation Committee budget as shown in Appendix G (of the Annual Town Meeting warrant). Sprenkle seconded the motion. VOTE: Unanimous.

Discussion ensued about warrant article to reduce the number of HW School Committee members from 9 to 7. It was noted that HW School Committee Chair Roger Kuebel had presented the reason for the article at Wenham's warrant hearing. The Fin Com decided it would not make a recommendation on this article at ATM.

Discussion addressed the revenue information that McWane would be presenting on the budget at ATM including the \$1.5 million that was returned to the towns by the schools and how some was used for Linden/Howard Streets culvert and to pay down the tax rate. Also details on uses of funds as well as operating and capital expenses, spending for the schools as compared to last year, debt exclusions (i.e., roofs at elementary schools), levy limit, and average tax bill.

Chivakos moved to adjourn at 8:15 p.m. Gerardi-Walsh seconded the motion. VOTE: Unanimous.

Respectfully submitted by Jane Dooley, Minutes Secretary

ATTEST: Jan Wane 4/18/14
Clerk